RAJY A SABHA

Wednesday, the 31st March, 1993/ 10th Chaitra, 1915 (Saka)

The House met at eleven of the clock **Mr. Chairman in the Chair.**

ORAL ANSWERS TO QUESTIONS

Shortfall in Crude Oil Production

*461. SHRI DIPEN GHOSH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Oil and Natural Gas Commission may not be able to meet the target of crude production as agreed to with Government;

(b) if so whether the Oil and Natural Gas Commission is planning for any emergency schedule to enhance its production scheme; and

(c) if so, the details therof?

THE MINITER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA): (a) Yes, Sir.

(b) and (c) ONGC are implenting meausres ot maximise oil production in the short term and the medium term. Efforts are also being made to substantially increase production during the current plan period through additional development of existing fields, development of new fields etc.

SHRI DIEN GHOSH: Mr. Chairman, Sir, the reply is very evasive. In fact; the Minister is reluctant to part with the information or share the information with Members of Parliament when his officers are sharing the information with Members. Even the Chairman of the O.N.G. has gone on record saying, with specific data, that even though there might be some short-term measures to boost the production it will still fall short of the domestic requirements. I would, therefore, request the hon. Minister to specifically tell us whether there will still be a shortfall between the indigenous production and indigenous consumption even after implementation of the so-called short-term measures to maximise produciton. If so, to what extent and how does the Government propose to meet this gap.

SHRI MENTAY PADMANABHAM: By import.

CAPT. SATISH SHARMA: Sir, I agree with the hon. Member that even with the short-term mesures which are being taken, which are under way, the shortfall will still be there. This we can see. It is out there in black and white. In 1992-93, the target was 28.4 million tonnes and the estimated achievement is 26.834 million tonnes. With the short-term measures also we will not be able to make up the shortfall which is there. But besides the short-term measures, which are under way, we are taking, for the first time, some major initiatives which I would say, will result in a substantial increase in production.

As you are aware, we have thrown open 12 medium and 31 small fields for joint production. I am glad to say that bids are still flowing in. Since I came from office this morning, more bids have come in. Some 15 bids have come in this morning. The bids are still coming. Already, 41 bids for small fields and 5 bids for medium-size fields have been received. Once we take up these small and medium fields for development, with private investment coming in under the joint production programme, which is being offered, besides anything else which the ONGC does, it will result in 12 medium and 31 small fields increasing oil production. When that happens, the increase will be to the extent of 7 to 8 million tonnes per annum. So, we are taking all the steps necessary to meet the shortfall. Sir, I am aware of the seriousness of the problem because of the foreign exchange

outflow which is taking place. I can assure the Member that this year we have reached the trough and from the bottom only we can start improving the situation. I would say that specially from 1994-95 the situation will improve substantially.

SHRI DIPEN GHOSH: Again he has not replied to my specific question. My specific question in the first supplementary was, even after implementation of the short-term measures for maximising production, whether there would still be a gap between the indigenous production and the home consumption; and if so, how the Government proposes to meet the gap. That he has not given. Instead, he has stated what proposals they are considering to throw open some fields for exploration to certain foreign investors, etc.

MR. CHAIRMAN: You are talking about imports.

SHRI DIPEN GHOSH: Kindly give the figure. Will the Minister kindly share that figure with the Members of Parliament? The Chairman of the ONGC is sharing the same figure with the press but the Minister is reluctant to share the information with the Members of Parliament.

MR. CHAIRMAN: Can you give the figure?

CAPT. SATISH SHARMA: Yes, Sir. In spite of the measures taken, the shortfall will be 1.63 million tonnes.

SHRI DIPEN GHOSH: Still a part of my first supplementary is not yet answered. How does the Government propose to meet this gap? That is my specific question. My second supplementary is whether the Government stipulates import of crude oil for this year or for 1993-94; and if so, to what extent. I am asking the question particularly in view of the fact that the Petroleum Ministry has not been provided with any budgetary support. How does the Government propose to meet that import bill?

CAPT. SATISH SHARMA: Sir, there are two components to this question. As far as the import of crude oil is concerned, the target for import of crude oil during 1992-93 is 26.66 million tonnes, but the estimate now is 29.42 million tonnes.

The second part of the question is, how do we finance it? As the Member is aware, now instead of the liberalised exchange rate system we have a unified exchange rate mechanism. So, foreign exchange will be bought from the market and not from the Government *(Interruptions)*.

SHRI DIPEN GHOSH: I understand that after full convertibility you will have to buy foreign exchange from the market but you have not been provided with any budgetary support. Wherefrom you will fund it, that you, please, share with us, whether the consumer will have to bear that cost or you are to borrow money. How do you fund it?

MR. CHAIRMAN: I think that is a very, very large extension of this question. He has said that the position will improve.

SHRI DIPEN GHOSH: That is the important question for the nation.

CAPT. SATISH SHARMA: Through you, Sir, I can assure the Member that considering the international oil market and the way the rupeee has been behaving since it has been on the float, I do not see the prices of petroleum going up in the near future.

SHRI VITHALBHAI M. PATEL: Sir, the Geolological Survey of India had once informed a Parliamentary Committee that they had surveyed from Kachchh to Cambay and that the Kachchh-Cambay area was float-

ing on oil. We had sent a report long back to the ONGC but the ONGC has not taken any action up till now. If the ONGC have no funds, they can invite private parties, but they must try to find oil there if the Geological Survey of India is telling them so. If the ONGC have lost the report, they can ask for that report again and see that the Kachchh-Cambay area is explored.

CAPT. SATISH SHARMA: Sir, the fact of the matter is that if the country had the kind of resources which were required for intensive exploration of oil, exploration of the Kachchh-Cambay area also, to the extent which was necessary, would have been done. The problem is the resource crunch and that is why we are offering these blocks. The area that the hon. Member has mentioned has also been offered in the fourth round, and again in the fifth round. In the fifth round we have 45 blocks and the last date for bids is 30th of June. We are awaiting the bids and I am hopeful that the response will be good. Once that happens, the exploration activity will be intensified.

SHRI VIREN J. SHAH: Sir...

MR. CHAIRMAN: All right.

SHRI YASHWANT SINHA: Is this in deference to his dress, Sir?... *(Interruptions)*...

MR. CHAIRMAN: I saw you raising your hand, please make the question short.

SHRI VIREN J. SHAH: Sir, I want to ask the question in the context of the very serious and damaging effect on the entire national economy because we are very short of oil, and its impact on the foreign exchange front on the one hand and the total cost on the people on the other. So, may I know from the hon. Minister whether he has seen that 15 months back the Cabinet had approved going ahead with the exploration of medium-size-and small size oilfields, as he referred to, and whether the Government and the ONGC sat on that decision for 12 months and, if so, the reasons therefor. The question is not of one year but because the impact of it will be there for the next five, six years on the total economy. So, will the hon. Minister say as whether he has studied it, looked at the facts as to when the decision was taken by the Cabinet for the exploration of medium-size fields and small-size fields and the exact period when the actual implementation started, that is, inviting the bids? Let us know about the decision of the Cabinet and the decision for the actual invitation of the bids for medium-size and small-size fields which you referred to.

CAPT. SATISH SHARMA: Sir, this information I do not have with me. I will collect the information and pass it on to the hon. Member.

SHRI VIREN J. SHAH: Sir, this is the most important part of the functioning of his Ministry. I seek your protection, Sir, This arises from this question straightway and I am sure this information is there on his pad—it must be there—as to the shortfall in oil production. He himself has referred to medium-size and small-size fields in reply to an earlier supplementary. This morning he comes from his office after seeing these bids and so, Sir, would the hon. Minister be justified in saying that he is not aware as to when the Cabinet took the decision and when the bids were invited? That itself shows, if I may be permitted, that he is not coming today ... *(Interruptions)*

MR. CHAIRMAN: Is there any more light that the Minister can throw on it?

CAPT. SATISH SHARMA: Sir, I think I vaguely remember that it was in July, 1992 or so when, in

principle, it was decided that we would throw open 12 medium and 31 small-size fields. ... (*Interruptions*)...

SHRI VIREN J. SHAH: Will you kindly check up and let me know?

MR. CHAIRMAN: He is giving a general answer. Obviously, he has to give you a detailed answer later.

SHRI VIREN J. SHAH: He should give this information in the House... (*Interruptions*)...

MR. CHAIRMAN: Shri Ram Naresh Yadav.

श्री राम नरेश यादव : महोदय, यह कच्चे तेल का उत्पादन तो कम होता चला जा रहा है और उसके साथ ही साथ इसकी खपत बढ़ती चली जा रही है । मैं इसलिए कह रहा हूं कि जहां 1989-90 में उत्पादन 34.69 मिलियन टन था वह 1990-91 में घट करके 33 मिलियन टन हो गया । वर्ष 1991-92 में आपने जो टार्गेट रखा था 28.4 मिलियन टन का वह भी पूरा नहीं होने जा रहा है । यह स्थिति है । तो मैं अब जानना चाहता हूं कि आखिर जिस तरह से यह टार्गेट पूरा नहीं हो रहा है और इतना शार्टफाल हो रहा है, तो उस टार्गेट के पूरा न होने के क्या कारण हैं ? दूसरा यह कि इस कमी को पूरा करने के लिए 8वीं पंचवर्षीय योजना में सरकार ने क्या प्रावधान किया है ? क्या यह शार्टफाल आठवीं पंचवर्षीय योजना के अंत होते-होते यह कमी सरकार पूरी कर सकेगी और कर सकेगी तो उस पर कितने करोड़ रुपये का प्रावधान सरकार ने किया है, यह मैं जानना चाहता हूं ?

CAPT. SATISH SHARMA: Sir, it is a fact that the production of crude which was 34 million tonnes in 1989-90, has come down in 1992-93, and it is estimated to be 26.83 million tonnes. The main reason or the decline which has taken place is over-exploitation of the fields in Bombay High. It was discovered that the fields there, the reservoir there had got imbalanced. A committee was appointed to go into it, and it recommended measures which should be taken so that the reservoir does not get damaged. The committee recommended that some of these fields should be shut down. That is the main reason for the declining trend. But, I would like to assure the Members—as I mentioned earlier today, this is a trough we have reached—now we will bottom out of the situation. To be precise, in two years from now we will start improving it substantially. At the same time, there are steps which need to be taken. The demand for petroleum in this country is very high. In spite of the fact that the *per-capita* consumption of petroleum in this country is amongst the lowest in the world, the demand is higher than the supply we have. We are taking other measures such as intensification of the exploration. As I said, the fields are being offered on a joint-production basis, for which the response is very good. So, all these measures taken together will help in a big way to meet the shortfall.

श्री राम नरेश यादव : महोदय, मैंने पूछा था कि 8वीं पंचवर्षीय योजना में कितने करोड़ रुपये का प्रावधान आपने किया है । वह नहीं आया और यह मैं जानना चाहता हूं ?

MR. CHAIRMAN: The Minister has answered it; whether he could answer, he has done.

SHRI T. A. MOHAMMED SAQHY: Sir, I would like to know whether the Government has got any scheme to improve the production of the LPG gas and whether the Government has got any new proposal to minimise the fare-up at Bombay High.

Ssecondly, I want to know whether we have any proposal to allow the private sector to import gas from other countries. I want to

know whether we have allowed the private sector to import gas from other countries.

SHRI PASUMPON THA. KIRUTTINAN: Bombay High as well as the Cauvery basin.

SHRI T. A. MOHAMMED SAQHY: In the Cauvery basin also we are flaring up the gas unnecessarily.

CAPT. SATISH SHARMA: LPG is not related to the question.

About the second part, as far as the flaring is concerned, we have a project for controlling the flaring. The project is already under way. It is being funded by multilateral agencies. We have all cleared the sanction for the project. Once that is completed, the flaring will almost be technically at zero level as far as Bombay High is concerned.

SHRI T. A. MOHAMMED SAQHY: The other part of the question has not been answered. Is there any proposal to import gas from other countries?

MR. CHAIRMAN: He has answered that earlier.

श्री एस.एस. अहलुवालिया : सभापति जी, मैं आपके माध्यम से मंत्री महोदय से जानना चाहूंगा कि जिस समिति के बारे में उन्होंने बताया है, उस समिति ने क्या कोई ऐसी रिकमंडेशन की थी कि जिस आयल बेल का रेशियो, गैस आयल रेशियो, 200 से ऊपर आ जाय वैसे तेल के कुंओं को बंद कर दिया जाय और उस समिति की रेकमन्डेशन पढ़ने के बाद कितने बंद किये गये हैं और कितने कुंओं की बंद होने की नौबत है ? क्योंकि मुझे जो संशय है, भय है वह यह है कि जो हमने अभी टारगेट लिया है उससे भी कम हम जायेंगे, जब हम इस समिति की सारी रेकन्डेशंस को इम्प्लीमेंट करेंगे । क्योंकि जब हम तेल निकालते हैं, उससे तेल की सतह का प्राकृतिक संतुलन बिगड़ जाता है, जिसको सुधारने के लिये वाटर इंजेक्शन की जरूरत होती है जो ओ०एन०जी०सी० बहुत कम रही है । इन चीजों पर विचार करने के लिये यह समिति बिठायी गई थी । उस समिति ने जो रेकमन्डेशंस पेश की हैं, वे सारी की सारी इम्प्लीमेंट की गयी हैं या नहीं की गयी हैं, इसको जरा बताने की कृपा करें ?

CAPT. SATISH SHARMA: My friend, Mr. Ahluwalia was mentioning about the Dasgupta Report, which had recommended closure of wells. I may inform him that about 50 wells have been closed. That is the main reasons, as I mentioned earlier, why the crude production has come down. Short-term measure of water injection wherever it was required has been taken. Early production systems, especially for Neelam and Panna fields and other measures have been taken to see that the wells or the reservoirs are not damaged.

श्री जगदीश प्रसाद माथुर : सर, समाचार-पत्रों में अगर मंत्रालय के सूत्रों से यह खबर मिलती रही है कि ओ०एन०जी०सी० को एक स्वतंत्र कंपनी के रूप में गठित करने का प्रयास सरकार का है । मैं जानना चाहूंगा कि यह प्रस्ताव है या नहीं है यदि है तब आप इसकी ओर कितने कदम बढ़ा चुके हैं, स्थिति क्या है ?

CAPT. SATISH SHARMA: Yes, Sir. The ONGC is being converted into a public company. The ONGC is going through the exercise and necessary decisions like disinvestment of its 20 per cent shares have been taken. This is to enable the ONGC to mobilise additional resources so that it can go in for more expansion than they have done till now. This is because of the resource crunch they are facing. So, this is evry much under way.

CAPT. SATISH SHARMA: I have to...

MR. CHAIRMAN: Syed Sibtey Razi.

SYED SIBTEY RAZI: Mr. Chairman, Sir, it had been...

SHRI JAGDISH PRASAD MATHUR: Let him reply. He is replying to my query.

CAPT. SATISH SHARMA: I will have to check up as to how much time it will take.

MR. CHAIRMAN: He will have to check up and find out. He said that. I heard that.

SYED SIBTEY RAZI: There has been concern in the country about petroleum and natural gas.

MR. CHAIRMAN: Please be very brief.

SYED SIBTEY RAZI: We were waiting that in the near future we would be self-reliant in this field. I would like to know from the hon. Minister if he is going to fix any accountability on the ONGC to find out why they have not been able to achieve their target. If they were over over-enthusiastic targets, then in future what alternative arrangement are you going to make?

MR. CHAIRMAN: I think the Minister has already given the substance of the answer. Would you like to respond?

श्री सैयद सिब्ते रजी : आप क्या यह बताने की कृपा करेंगे कि पेट्रोल की जगह पर कुछ और एल0पी0जी0 वगैरह का प्रयोग करने के लिए आर0एंड डी0 का उपयोग कर रहे हैं जिससे इसकी खपत ट्रांसपोर्ट में कम हो सके और इसका रिप्लेसमेंट हो सके ?

†شری سید سبط رضی "جاری": آپ کیا یہ بتانے کی کرپا کریں گے کہ پٹرول کی جگہ پر کچھ اور ایل۔ پی۔ جی وغیرہ پریوگ کرنے کیلئے آر۔ اینڈ۔ ڈی کا اپیوگ کر رہے ہیں جس سے اس کی کھپت ٹرانسپورٹ میں کم ہو سکے اور اس کا ریپلیسمنٹ ہو سکے۔

MR. CHAIRMAN: That is a different question.

CAPT. SATISH SHARMA: It is not relevant to this question.

MR. CHAIRMAN: Q. No. 462.

वाणिज्यिक प्रयोजनों के लिये प्राकृतिक वनों के इस्तेमाल को रोकने के लिये गैर सरकारी संगठनों द्वारा दिये गये अभ्यावेदन

***462. श्री अजीत जोगी :**
श्री छोटू भाई पटेल :*

क्या **पर्यावरण और वन** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार को वाणिज्यिक प्रयोजनों के लिए प्राकृतिक वनों का उपयोग रोकने के वास्ते गैर सरकारी संगठनों से अभ्यावेदन मिले हैं ;

(ख) यदि हां, तो उन पर सरकार की क्या प्रतिक्रिया है ; और

(ग) क्या सरकार वनों के दोहन, विशेषकर वृक्षों की कटाई को रोकने पर विचार कर रही है जिससे कि पर्यावरण संतुलन बना रहे तथा वनों के आस-पास रहने वाले आदिवासियों को भी वन-उपज से भरपूर लाभ मिल सके

†[ ] Transliteration in Arabic script.

*सभा में यह प्रश्न श्री छोटूभाई पटेल द्वारा पूछा गया ।